

This shows the effect of starting saving at 21 by Nan compared to trying to catch up ten years later by Dan

<i>Nan started at age of 21</i>			<i>Dan started at age of 31</i>		
Year	Contribution	Year end value	Year	Contribution	Year end value
21	\$5,000	\$5,400	21	\$0	\$0
22	\$5,000	\$11,232	22	\$0	\$0
23	\$5,000	\$17,531	23	\$0	\$0
24	\$5,000	\$24,333	24	\$0	\$0
25	\$5,000	\$31,680	25	\$0	\$0
26	\$5,000	\$39,614	26	\$0	\$0
27	\$5,000	\$48,183	27	\$0	\$0
28	\$5,000	\$57,438	28	\$0	\$0
29	\$5,000	\$67,433	29	\$0	\$0
30	\$5,000	\$78,227	30	\$0	\$0
31	\$0.00	\$84,486	31	\$5,000	\$5,400
32	\$0.00	\$91,244	32	\$5,000	\$11,232
33	\$0.00	\$98,544	33	\$5,000	\$17,531
34	\$0.00	\$106,428	34	\$5,000	\$24,333
35	\$0.00	\$114,942	35	\$5,000	\$31,680
36	\$0.00	\$124,137	36	\$5,000	\$39,614
37	\$0.00	\$134,068	37	\$5,000	\$48,183
38	\$0.00	\$144,794	38	\$5,000	\$57,438
39	\$0.00	\$156,377	39	\$5,000	\$67,433
40	\$0.00	\$168,887	40	\$5,000	\$78,227
41	\$0.00	\$182,398	41	\$5,000	\$89,886
42	\$0.00	\$196,990	42	\$5,000	\$102,476
43	\$0.00	\$212,749	43	\$5,000	\$116,075
44	\$0.00	\$229,769	44	\$5,000	\$130,761
45	\$0.00	\$248,151	45	\$5,000	\$146,621
46	\$0.00	\$268,003	46	\$5,000	\$163,751
47	\$0.00	\$289,443	47	\$5,000	\$182,251
48	\$0.00	\$312,598	48	\$5,000	\$202,231
49	\$0.00	\$337,606	49	\$5,000	\$223,810
50	\$0.00	\$364,615	50	\$5,000	\$247,115
51	\$0.00	\$393,784	51	\$5,000	\$272,284
52	\$0.00	\$425,287	52	\$5,000	\$299,466
53	\$0.00	\$459,310	53	\$5,000	\$328,824
54	\$0.00	\$496,054	54	\$5,000	\$360,530
55	\$0.00	\$535,739	55	\$5,000	\$394,772
56	\$0.00	\$578,598	56	\$5,000	\$431,754
57	\$0.00	\$624,886	57	\$5,000	\$471,694
58	\$0.00	\$674,876	58	\$5,000	\$514,830
59	\$0.00	\$728,867	59	\$5,000	\$561,416
60	\$0.00	\$787,176	60	\$5,000	\$611,729
61	\$0.00	\$850,150	61	\$5,000	\$666,068
62	\$0.00	\$918,162	62	\$5,000	\$724,753
63	\$0.00	\$991,615	63	\$5,000	\$788,133
64	\$0.00	\$1,070,944	64	\$5,000	\$856,584
65	\$0.00	\$1,156,620	65	\$5,000	\$930,511
66	\$0.00	\$1,249,149	66	\$5,000	\$1,010,352
67	\$0.00	\$1,349,081	67	\$5,000	\$1,096,580
68	\$0.00	\$1,457,008	68	\$5,000	\$1,189,706
69	\$0.00	\$1,573,568	69	\$5,000	\$1,290,283
70	\$0.00	\$1,699,454	70	\$5,000	\$1,398,905

The method of calculation is the simplest and is used for order of magnitude. It is the sum of 12 monthly payments times 1.08 which assumes a 8% return

This illustration is not a prediction or projection of investment results, does not constitute a solicitation for sale and is for educational purposes only. This information is not meant to be personalized; you should seek the advice of a professional regarding your investments.